



# TREASURE VALLEY

ADA, ADAMS, BOISE, CANYON, ELMORE, GEM, OWYHEE, PAYETTE, VALLEY, & WASHINGTON COUNTIES

## LABOR FORCE AND EMPLOYMENT

The seasonally adjusted unemployment rate for the Boise City Metropolitan Statistical Area (MSA), which includes Ada and Canyon Counties, was 3.9 percent for August 2001, as shown in Treasure Valley Table 1. This rate was down one-tenth of a percentage point from the July 2001 rate of 4.0 percent, and up five-tenths of a percentage point from the August 2000 rate of 3.4 percent. Despite the increased number of layoffs throughout the Treasure Valley, the unemployment rate of 4.0 percent is well below the 5.0 percent that some economists refer to as "full employment." The economy, though slower in some industries, is still doing fairly well overall. The number of individuals employed remained the same from July to August at 242,500, while a decrease occurred in the

**Treasure Valley Table 2: August 2001  
Seasonally Adjusted Labor Force Figures for  
Southwest Idaho Counties**

	Civilian Labor Force	Number Unem- ployed	Percent Unem- ployed	Number Employed
Ada	182,423	6,266	3.4	176,157
Adams	1,715	180	10.5	1,535
Boise	2,386	127	5.3	2,258
Canyon	69,937	3,592	5.1	66,345
Elmore	9,576	474	4.9	9,102
Gem	6,962	576	8.3	6,386
Owyhee	4,840	222	4.6	4,618
Payette	10,070	1,025	10.2	9,044
Valley	4,201	306	7.3	3,896
Washington	4,515	445	9.9	4,070
Statewide	686,500	31,539	4.6	654,961

number of unemployed individuals, from 10,100 in July to 9,900 in August. Severance packages, offered to some individuals who were laid off in recent months, may have contributed to the decrease in unemployed individuals because they have not yet filed for unemployment. Also, agricultural industries are hiring in all areas including field workers, truck drivers, and packing shed workers. There was a net decrease in the *Civilian Labor Force* of only 200 individuals from July to August 2001, and an in-

**Treasure Valley Table 1: Boise MSA Labor Force & Employment  
Ada and Canyon counties**

	August 2001*	July 2001	August 2000	% Change Last Month	Last Year
<b>INDIVIDUALS BY PLACE OF RESIDENCE</b>					
<b>Seasonally Adjusted</b>					
Civilian Labor Force	252,400	252,600	237,900	-0.1	6.1
Unemployment	9,900	10,100	8,100	-2.0	22.2
% of Labor Force Unemployed	3.9	4.0	3.4		
Total Employment	242,500	242,500	229,800	0.0	5.5
<b>Unadjusted</b>					
Civilian Labor Force	254,400	255,800	240,100	-0.5	6.0
Unemployment	9,200	9,900	7,500	-7.1	22.7
% of Labor Force Unemployed	3.6	3.9	3.1		
Total Employment	245,200	245,900	232,600	-0.3	5.4
<b>JOBS BY PLACE OF WORK</b>					
<b>Nonfarm Payroll Jobs**</b>	232,000	232,900	225,500	-0.4	2.9
<b>GOODS-PRODUCING INDUSTRIES</b>	55,200	55,300	54,300	-0.2	1.7
<b>Mining &amp; Construction</b>	18,200	18,100	16,800	0.6	8.3
<b>Manufacturing</b>	37,000	37,200	37,500	-0.5	-1.3
Durable Goods	28,600	28,800	28,800	-0.7	-0.7
Lumber & Wood Products	3,300	3,200	3,300	3.1	0.0
Wood Buildings & Mobile Homes	800	800	1,000	0.0	-20.0
Other Lumber & Wood Products	2,500	2,400	2,300	4.2	8.7
Fabricated Metal Products	1,200	1,200	1,300	0.0	-7.7
Ind. & Comm. Mach. & Computer Equip.	7,000	7,100	8,300	-1.4	-15.7
Electronic & Other Elect. Equip. & Comp.	13,400	13,400	12,100	0.0	10.7
Transportation Equipment	1,900	1,900	1,800	0.0	5.6
Other Durable Goods	1,800	2,000	2,000	-10.0	-10.0
Nondurable Goods	8,400	8,400	8,700	0.0	-3.4
Food Products	5,600	5,600	5,800	0.0	-3.4
Canned Cured & Frozen Foods	1,800	1,800	1,800	0.0	0.0
Printing, Pub & Allied Products	1,900	1,900	2,000	0.0	-5.0
Other Nondurable Goods	900	900	900	0.0	0.0
<b>SERVICE-PRODUCING INDUSTRIES</b>	176,800	177,600	171,200	-0.5	3.3
<b>Trans, Comm, &amp; Public Util</b>	12,100	12,100	12,000	0.0	0.8
Transportation	6,700	6,700	6,500	0.0	3.1
Comm & Elec, Gas & Sanitary Services	5,400	5,400	5,500	0.0	-1.8
<b>Trade</b>	58,200	58,300	56,600	-0.2	2.8
Wholesale Trade	13,900	14,000	13,700	-0.7	1.5
Durable Goods	8,400	8,400	8,200	0.0	2.4
Nondurable Goods	5,500	5,600	5,500	-1.8	0.0
Retail Trade	44,300	44,300	42,900	0.0	3.3
General Merchandise Stores	6,200	6,200	5,400	0.0	14.8
Foods Stores	7,500	7,600	8,000	-1.3	-6.3
Eating & Drinking Places	15,700	15,700	14,900	0.0	5.4
Other Retail Trade	14,900	14,800	14,600	0.7	2.1
<b>Finance, Insurance, &amp; Real Estate</b>	11,100	11,200	11,200	-0.9	-0.9
<b>Services</b>	62,200	62,200	59,800	0.0	4.0
Business Services	15,200	15,200	15,600	0.0	-2.6
Health Services	18,600	18,500	16,800	0.5	10.7
Hospitals	8,900	8,800	7,700	1.1	15.6
Eng., Acct., Res., Mngmt., & Related	4,800	4,800	4,600	0.0	4.3
Other Services	23,600	23,700	22,800	-0.4	3.5
<b>Government</b>	33,200	33,800	31,600	-1.8	5.1
Federal Government	5,400	5,300	5,300	1.9	1.9
State Government	12,300	12,300	11,700	0.0	5.1
Education	3,600	3,600	3,400	0.0	5.9
Administration	8,700	8,700	8,300	0.0	4.8
Local Government	15,500	16,200	14,600	-4.3	6.2
Education	9,400	10,000	8,900	-6.0	5.6
Administration	6,100	6,200	5,700	-1.6	7.0

\* Preliminary Estimate

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

crease of 14,500 individuals from one year ago. Treasure Valley Table 2 shows the August 2001 labor force figures for all counties in Southwest Idaho.

The number of *Nonfarm Payroll Jobs* decreased by 900 from July to August 2001, and increased by 6,500 jobs since August 2000. Job losses in *Industrial & Commercial Machinery & Computer Equipment Manufacturing* (100) and *Other Durable Goods Manufacturing* (200) outpaced job gains in *Construction & Mining* (100) and *Other Lumber & Wood Products Manufacturing* (100) to create a net decrease of 100 jobs over the month in *Goods-Producing Industries*. Year-over-year, *Goods-Producing Industries* gained 900 jobs with *Construction & Mining* (1,400), *Other Lumber & Wood Products Manufacturing* (200), *Electronic & Other Electrical Equipment & Components Manufacturing* (1,300), and *Transportation Equipment Manufacturing* (100). This outpaced job losses in *Wood Buildings & Mobile Home Manufacturing* (200), *Fabricated Metal Products Manufacturing* (100), *Industrial & Commercial Machinery & Computer Equipment Manufacturing* (1,300), *Other Durable Goods Manufacturing* (200), *Food & Kindred Products* (200), and *Printing, Publishing & Allied Products* (100).

*Service-Producing Industries* lost 800 jobs between July 2001 and August 2001. Job losses in *Wholesale Trade* (100), *Food Stores* (100), *Finance, Insurance, & Real Estate* (100), *Other Services* (100), *Local Government Education* (600), and *Local Government Administration* (100) outpaced job gains in *Other Retail Trade* (100), *Health Services* (100) primarily *Hospitals* (100), and *Federal Government* (100) to create a net decrease in the number of jobs in the Boise City MSA. The primary loss was in *Local Government Education*, with most school districts breaking for the summer. Year-over-year, there was an increase of 5,600 jobs in *Service-Producing Industries*, with *Communication & Electricity, Gas & Sanitary Services, Food Stores, Finance, Insurance, & Real Estate* and *Business Services* the only industries to experience job losses. The most notable job gains over the year were seen in *General Merchandise Stores* (800), *Health Services* (1,800) primarily *Hospitals* (1,200), and *Other Services* (800).

## **SPECIAL TOPICS:**

### **Manpower Quarterly Employment Survey**

- Manpower, Inc., released its quarterly employment survey in late August, stating that 27 percent of Boise area employers surveyed expect to hire more people in October, November, and December. This number is down from 43 percent recorded for the same quarter last year. The survey also mentions that thirteen percent of employers surveyed plan to reduce their staffs in the coming quarter, which is up from seven percent one year ago. The survey also stated that new hires are expected in *Transportation, Communications, & Public Utilities*, while cut-backs are planned for *Finance, Insurance, & Real Es-*

*tate*. For a copy of the survey results, see the website at [www.us.manpower.com](http://www.us.manpower.com).

### **High-Tech Update**

- MCMS announced another layoff in late September that will affect an additional 94 workers at the electronic manufacturing plant in Nampa. The latest layoffs were related to the continuing phase-out of MCMS' business with Cisco Systems. Only a week prior to this announcement, the company announced plans to seek bankruptcy and sell its Nampa plant to a Massachusetts electronics manufacturing services company—Manufacturers' Services Limited—which stated that it intends to keep the Nampa site open and retain the majority of its workforce. The new company will emphasize box-building work such as creating racks and cabinets for circuit boards instead of assembling circuit boards.
- Hewlett-Packard (HP) and Compaq announced a \$20.3 billion merger in early September. A top Wall Street analyst was said to anticipate few, if any, of the layoffs that will stem from the merger will happen in Boise, with most of the cuts probably occurring at Compaq. The deal aims to create a giant manufacturer of personal computers, computer servers, printers, and high-tech services with \$87 billion in revenue. Several investors and analysts have expressed skepticism about the merger, especially with the recent downturns of the computer industry. Pending regulatory and shareholder approval, the purchase is expected to close in early 2002. HP also announced the \$629 million purchase of outstanding shares of Indigo, a Dutch company that makes industrial and commercial printing systems.
- Hewlett-Packard (HP) started a \$6.25 million building remodeling project in Boise in June that will accommodate expansion of its inkjet cartridge manufacturing business. The project consists of moving personnel out of a building that currently is solely devoted to inkjet supplies. The 10,000-square-foot space will be divided into two clean-room areas that will be devoted to creating metal sheets—a component used in inkjet cartridges. One clean-room area will be created now; the second one will be renovated based on future business expansion. This project should create 25 jobs. The first phase will be completed in November.
- New high-tech products recently released to the public include the low-priced LaserJet printer introduced by Hewlett-Packard—the HP LaserJet 1000. This black-and-white printer can print about 7,000 pages per month and is targeted for home office users, telecommuters, and small businesses.

- MicronPC launched a new high-end PC model in late August that features a 2.0 gigahertz Pentium 4 processor and is targeted towards mid-sized business and government clients. Interland, Inc., formerly Micron Electronics/HostPro, launched a new website in mid-September along with a new consolidated product line that reflects the merger between Interland and HostPro. The new website is [www.interland.net](http://www.interland.net).
- Cypress Semiconductor Corporation acquired the Boise-based company In-System Design in early September for \$45 million. In-System Design focuses on components for the data storage market. More than two-thirds of Cypress' sales come from communications markets. The employees of In-System Design received checks for their company stock and were enrolled in a bonus plan that will reward them for staying with the new owner. Approximately ten positions are being eliminated due to redundancies.
- Koppel's Browzeville announced plans to relocate from their 30<sup>th</sup> Street and Fairview Avenue location where it has been for 55 years, to the Collister Shopping Center at State Street and Collister Drive. The move provides better visibility for the business and will downsize the sales floor from 12,000-square feet to 6,400-square feet. Two workers could be affected by the move. Koppel's Browzeville will take over the space currently occupied by Four Star Restaurant Supply in the Collister Shopping Center. Four Star plans to move into a 10,000-square-foot adjacent space which was vacated by the M&W Market in December 1999.
- Preco New Products Corp. recently was renamed ConnectL. The name was changed to strengthen the company's position in the mobile computer "connectivity" market. The company was purchased from Preco earlier this year by Exact Research, Inc., a company that specializes in advanced materials applications. ConnectL is located on Maple Grove near Franklin, next to Preco Electronics.

## AREA DEVELOPMENTS

### Boise City MSA

- The Small Business Compliance Assistance Panel recently was created to review environmental issues as they concern small businesses in Idaho. The panel was authorized by the federal Clean Air Act, and will evaluate the effectiveness of Idaho's Small Business Assistance Program, as well as voice the concerns of small businesses affected by state and federal environmental regulations.
- The Downtown Boise Family YMCA has announced plans to convert conference rooms into exercise space and to offer its users a shuttle service due to increased attendance in the fall as people turn indoors for their fitness workouts. The shuttle service will run from the new, 35-space parking lot at 10<sup>th</sup> and Washington Streets (north of Fanci Freez) from 8 a.m. - 1 p.m. Monday through Friday.
- Albertson's, Inc., announced the closure of Idaho's only Sav-on Drug stores in late September as part of the company's restructuring plans that were announced in July. The two stores, located at 2540 North Bogus Basin Road and 2312 East Chinden Boulevard, will close November 1 because of poor performance. The two stores employ about 45 people. Transfers to other area Albertson's store will be offered to some employees. Others will be eligible for hire at other Albertson's stores throughout the state.
- Moon's Kitchen & Gift Shop, located at 815 West Bannock Street in downtown Boise announced in early September that it is for sale, although at publication time there have been no firm offers.
- Swire Coca-Cola announced plans to increase the size of its Meridian distribution center by constructing a 55,000-square-foot addition to its facility on East Overland Road. Additional workers may be added to the distribution center as demand increases. Construction of the new addition is scheduled to begin in Spring 2002.
- St. Luke's Regional Medical Center (SLRMC) announced plans to build a 940-space, five-level parking garage, and a three-to-four story medical office building south of Warm Springs Avenue and west of Broadway Avenue in Boise. The project is scheduled to start in late 2002 or early 2003. SLRMC applied for a conditional use permit, and a public hearing on the project with the Boise Planning & Zoning Commission was scheduled for early October.
- Pizza Hut announced plans to open four new Treasure Valley establishments by summer 2002. The new eateries will be in Boise, Kuna, Star, and Meridian. The Boise eatery is located at the southeast corner of Vista Avenue and Cherry Lane and is scheduled to open by Thanksgiving. The Meridian carry-out unit will be located at 519 East Fairview Avenue between Locust Grove and Meridian, and will be open in early October; the Star eatery, located in the Mira Plaza Shopping Center off of I-84, opened in early September; and the Kuna location is expected to begin construction next spring and be finished by summer 2001.
- Recent openings in Ada County include: Pro-Image, which will reopen a 624-square-foot sports-

gift retail store on the upper level in Boise Towne Square Mall; First American Title Company, 1250 Iron Eagle Drive in Eagle in August; United Heritage, a three-story national headquarters building along I-84 in Meridian; and Songbird Espresso at 1403 East First Street in Meridian in mid-September. Songbird Espresso is dedicated to creating habitat for migrating birds through sales of organic, shade-grown coffee which creates mulch for coffee plants and also habitat for songbird populations.

- Recent openings in Canyon County include: Congressman Butch Otter's Nampa office in late August; Pintura, a hair and nail salon at 1224 First Street South, Suite 208 in Nampa; Clinica Santa Maria—a Caldwell clinic operated by Dr. Edward Savala at 524 East Cleveland Boulevard in Caldwell; Ross Dress For Less at Karcher Mall in Nampa; Nampa First Church of the Nazarene's new 57,000-square-foot expansion of its Family Life Center at 600 15<sup>th</sup> Avenue South in Nampa, recently completed after 11 months of construction; Summit Mortgage Corporation office at 312 Caldwell Boulevard (the space that formerly housed a JC Penney catalog store); and a MicronPC computer outlet store at 1400 Shilo Drive in Nampa. The company closed its Boise outlet location.
- The new homeless shelter in Nampa officially broke ground in late September. The \$1.2 million Community Family Shelter will be the only permanent shelter in Canyon County for families, children, and single women, and will hold 56 beds. The building will be located at the corner of Fourth Street and 14<sup>th</sup> Avenue in Nampa. The shelter is expected to open in Spring 2002, and will be operated by The Salvation Army.
- McClure's Machine Shop, owned by Dwaine Skogsberg and Ray Martin, closed in late September after doing business for 53 years in Canyon County. McClure's Machine Shop, located at 245 Caldwell Boulevard in Nampa, provided steel and aluminum structural work. An auction to sell off equipment took place in late September.
- Lithia Motors recently purchased Lanny Berg Chevrolet of Caldwell for \$1.7 million. Lithia Motors is an Oregon-based company and already operates four dealerships in Boise. A Lithia Motors representative said that the purchase "marks the beginning of a more aggressive acquisition strategy to be implemented throughout the rest of the year."

#### **Elmore County**

- The Power Development Associates, LLC (PDA) power plant has received approval from the Mountain Home Planning and Zoning Commission. A con-

ditional use permit previously was granted to the company, but a recent zoning change allows the power plant to be placed in the Mountain View Industrial Park. The PDA power plant will be built in several stages, the first stage will be an 85 megawatt "simple cycle" natural gas fired unit. Construction is planned to start soon with the plant scheduled to operate by summer 2002.

- Several people at the Mountain Home Air Force Base have been called into action as part of President Bush's counterattack on terrorism. MHAFB B-1B bombers were deployed soon after the September 11 tragedy to an undisclosed location. A press conference was held at the base, but no additional information was released.

#### **Valley County**

- Forest Concepts, a manufacturing shop, opened in the small industrial park across Idaho 55 in Cascade. The business, headquartered in Federal Way, Washington, cuts small logs into smaller pieces then compresses them into larger logs for environmental rehabilitation. The products may be used to provide wildlife shelter, act as fallen trees to slow the flow of streams, or be used as nurse logs in forests and wetlands. Three employees have been hired so far, but the small manufacturing shop could expand in the future.
- Construction of the Holiday Inn Express that was previously scheduled in McCall has been delayed, and will not begin this year. The project originally was scheduled to start this year and be finished by spring 2002. The construction was delayed due to a dispute between the city and the developer over replacing water and sewer lines near the motel site, which was to be located on Idaho 55 at the south end of the city.
- The Pancake House in McCall has started construction on a new building adjacent to its current location. The new building will house a restaurant and gift shop, and is scheduled to open in 2002.
- Idaho Power recently selected a line route along Johnson Road in Valley County that will connect the future Boulder Substation to the electric grid. The entire project should improve electric service in the valley. The construction is planned for summer 2002, with the line and substation energized by fall 2002. The substation location is planned for the east side of Idaho 55 at Pearson Lane. Idaho Power has applied to Valley County for a conditional use permit for the substation, and a hearing before the Valley County Planning and Zoning Commission is set for November 8, 2001.

*(Continued on page 24)*

## Seaport—(Continued from page 10)

### LABOR FORCE AND EMPLOYMENT

Seaport's seasonally adjusted unemployment rate decreased in August to 3.8 percent from July's rate of 3.9 percent as shown in Seaport Table 1. In August 2000, the rate was 5.0 percent. Total employment in August increased by 140. Year-over-year, employment increased 740. Unemployment decreased by 30 from July and 410 year-over-year.

In August, Seaport's *Nonfarm Payroll Jobs* increased by 110 from July 2001, and 300 from August 2000. Most of the increase was recorded in *Construction*. However, of the two sectors in *Construction* — *Residential* and *Industrial* — only *Industrial Construction* increased, but increased enough to produce net gains for total *Construction*. The increases in *Industrial Construction* are because of road/bridge projects and construction of Bedrock Plaza, a large shopping mall in Lewiston. The Bedrock Plaza development will be home to Home Depot. Other stores considering the new plaza include: Safeway, Applebee's, Barnes & Noble, Best Buy, Famous Footwear, Fashion Bug, Eddie Bauer, Gart Sports, Great Clips, Hallmark, Linen and Things, Michael's, Old Navy, Petco, Pier 1, Postal Annex, Quizno's Subs sandwich shop, Radio Shack, Rite Aid Pharmacies, Ross Dress For Less, TJ Maxx, and Washington Mutual.

In other industries, *Food Processing* usually peaks to about 390 in June and July for harvest, and then falls to a range of 150 to 180 for the rest of the year. This year, even during the peak of harvest, employment decreased because of cutbacks by processors due to low pea prices. Permanent year round employment in *Food Processing* has been cut almost in half. In August, job increases in *Trade* were recorded (100) but remain below August 2000 levels. Although *Services* increased only slightly in Au-

gust, there continues to be significant increases in the *Health Care* sector. During the last two years, *Health Care* has accounted for nearly all of the increases in *Services*. The trend continued in August with employment increases in both hospitals and clinics.

### SPECIAL TOPICS: UNEMPLOYMENT INSURANCE & WAGES

#### Unemployment Insurance (Seaport Table 2 on pg. 10)

*Stabilizing the Economy:* Besides helping unemployed individuals and families transition from one job to another, Unemployment Insurance (UI) acts as an automatic economic stabilizer. In a recession, UI benefits offset some of the effects of job losses on a community's spending power. Because UI benefits allow unemployed individuals and their families to continue to pay their bills, it helps maintain incomes and spending power of the stores, landlords, banks, and service providers in the community. UI softens the blow and reduces the snowball effect of job losses.

*Retaining a Local Workforce:* Unemployment Insurance promotes stability by making it possible for employers to retain workers during the off-season or during a short downturn. Many seasonal industries would find it much more difficult to attract and retain employees if their workers could not rely on UI to support them through the off-season.

#### WAGES (Seaport Table 3, above)

Local businesses are evaluating compensation packages to determine whether to increase wages for 2002.

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## Treasure Valley—(Continued from page 14)

### Washington County

- On September 25, 2001, the Washington-Adams Economic Development Committee held a meeting with everyone interested in creating economic growth in the Washington-Adams County areas. The Sirolli Institute, an economic development organization based in Baker City, Ore., talked to the group about its program for creating work and commerce in rural areas that are traditionally classified as "economically depressed" by traditional development economists. This new approach is known as "garden economics" and has been successful in Baker County, Ore. The philosophy is based on developing the resources already in the community and requires the participation of everyone in the communities to share their skills on the economic development board.

- Construction started in late August on The Cottages, an assisted-living center in Weiser. The center is located on 1225 East Sixth Street at Pence and initially will accommodate 15 residents. Services offered to the residents include meals, laundry, housekeeping, medication management, and other various living assistance. This is one of three centers scheduled for construction in the Treasure Valley this year. The construction of The Cottages in Emmett began earlier this year. A ground-breaking for the Payette facility is scheduled for later this year.

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